



AMSC Awarded Contract for U.S. Navy Deployable Mine Countermeasure System

April 25, 2023

AMSC's Proprietary High-Temperature Superconductor system to be designed, built, integrated and deployed on the U.S. Navy's Mine Countermeasure-Unmanned Service Vehicle

AYER, Mass., April 25, 2023 (GLOBE NEWSWIRE) -- AMSC (NASDAQ: AMSC), a leading system provider of megawatt-scale power resiliency solutions that orchestrate the rhythm and harmony of power on the grid™, and protect and expand the capability of our Navy's fleet, today announced it has entered into a delivery contract for approximately \$8 million with Textron Systems for a pre-production High-Temperature Superconductor (HTS) Magnetic Influence Mine Countermeasure Payload System.

Textron Systems is acting as prime contractor for an initial award of over \$20 million, inclusive of the \$8 million award to AMSC, from the U.S. Navy for the design, development, and integration of the next generation mine sweep system for use on board the Common Unmanned Surface Vessel (CUSV) platform. Designated as the Magnetic and Acoustic Generation Next Unmanned Superconducting Sweep (MAGNUSS), this program is supported by the Office of Naval Research (ONR) as part of its Future Naval Capabilities portfolio to transition the U.S. Navy from traditional legacy towed mine-sweep systems.

"This nearly \$8 million multi-year contract builds on AMSC's prior work on the deployable MCM solution, allowing us to leverage our proprietary technology to develop the capabilities needed for possible future ship production systems," said Daniel P. McGahn, Chairman, President and CEO, AMSC. "AMSC has been contracted to design, develop, and deliver a pre-production system for the U.S. Navy to deploy and test as part of its MCM USV program. Deployment into the fleet would potentially expand our Ship Protection System content per ship. We look forward to working with Textron and remain focused on our work to expand HTS technology into the fleet through a variety of applications for power and protection equipment."

AMSC's deployable HTS Magnetic Mine Countermeasure Payload System is expected to provide the U.S. Navy with a robust and efficient mine countermeasure capability that is designed to minimize the risk to fleet assets and personnel during mine countermeasure operations, such as mine hunting and mine neutralization.

AMSC, the U.S. Navy and ONR have collaborated on AMSC's HTS-based Ship Protection Systems (SPS) including HTS Advanced Degaussing Systems, as well as the deployable HTS Magnetic Influence Mine Countermeasure Payload System. The core components of AMSC's HTS-based SPS are common and transferable to other applications being targeted for ship implementation.

[About AMSC \(NASDAQ: AMSC\)](#)

AMSC generates the ideas, technologies and solutions that meet the world's demand for smarter, cleaner ... better energy™. Through its Gridtec™ Solutions, AMSC provides the engineering planning services and advanced grid systems that optimize network reliability, efficiency and performance. Through its Marinetec™ Solutions, AMSC provides ship protection systems and is developing propulsion and power management solutions designed to help fleets increase system efficiencies, enhance power quality and boost operational safety. Through its Windtec™ Solutions, AMSC provides wind turbine electronic controls and systems, designs and engineering services that reduce the cost of wind energy. The Company's solutions are enhancing the performance and reliability of power networks, increasing the operational safety of navy fleets, and powering gigawatts of renewable energy globally. Founded in 1987, AMSC is headquartered near Boston, Massachusetts with operations in Asia, Australia, Europe and North America. For more information, please visit www.amsc.com.

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Forward-Looking Statements

This press release contains "forward-looking statements" within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Such statements include, but are not limited to, statements about the expected scope of the HTS Magnetic Influence Mine Countermeasure Payload System; functionality, performance and capabilities of such system; ability to leverage such system for future naval uses and other statements containing the words "believes," "anticipates," "plans," "expects," "will" and similar expressions. Such forward-looking statements represent management's current expectations and are inherently uncertain. There are a number of important factors that could materially impact the value of our common stock or cause actual results to differ materially from those indicated by such forward-looking statements. These important factors include, but are not limited to: We have a history of operating losses, which may continue in the future. Our operating results may fluctuate significantly from quarter to quarter and may fall below expectations in any particular fiscal quarter; We have a history of negative operating cash flows, and we may require additional financing in the future, which may not be available to us; We may be required to issue performance bonds or provide letters of credit, which restricts our ability to access any cash used as collateral for the bonds or letters of credit; Changes in exchange rates could adversely affect our results of operations; If we fail to maintain proper and effective internal control over financial reporting, our ability to produce accurate and timely financial statements could be impaired and may lead investors and other users to lose confidence in our financial data; We may not realize all of the sales expected from our backlog of orders and contracts; Our contracts with the U.S. government are subject to audit, modification or termination by the U.S. government and include certain other provisions in favor of the government. The continued funding of such contracts remains subject to annual congressional appropriation, which, if not approved, could reduce our revenue and lower or eliminate our profit; The COVID-19 pandemic could adversely impact our business, financial condition and results of operations; Changes in U.S. government defense spending could negatively impact our financial position, results of operations, liquidity and overall business; We rely upon third-party suppliers for the

components and subassemblies of many of our Grid and Wind products, making us vulnerable to supply shortages and price fluctuations, which could harm our business; Uncertainty surrounding our prospects and financial condition may have an adverse effect on our customer and supplier relationships; We have not manufactured our Amperium wire in commercial quantities, and a failure to manufacture our Amperium wire in commercial quantities at acceptable cost and quality levels would substantially limit our future revenue and profit potential; Our success is dependent upon attracting and retaining qualified personnel and our inability to do so could significantly damage our business and prospects; Our business and operations would be adversely impacted in the event of a failure or security breach of our or any critical third parties information technology infrastructure and networks; Failure to comply with evolving data privacy and data protection laws and regulations or to otherwise protect personal data, may adversely impact our business and financial results; Many of our revenue opportunities are dependent upon subcontractors and other business collaborators; If we fail to implement our business strategy successfully, our financial performance could be harmed; Problems with product quality or product performance may cause us to incur warranty expenses and may damage our market reputation and prevent us from achieving increased sales and market share; We have had limited success marketing and selling our superconductor products and system-level solutions, and our failure to more broadly market and sell our products and solutions could lower our revenue and cash flow; Adverse changes in domestic and global economic conditions could adversely affect our operating results; We face risks related to our intellectual property; We face risks related to our technologies; We face risks related to our legal proceedings; We face risks related to our common stock; and the important factors discussed under the caption "Risk Factors" in Part 1. Item 1A of our Form 10-K for the fiscal year ended March 31, 2022, and our other reports filed with the SEC. These important factors, among others, could cause actual results to differ materially from those indicated by forward-looking statements made herein and presented elsewhere by management from time to time. Any such forward-looking statements represent management's estimates as of the date of this press release. While we may elect to update such forward-looking statements at some point in the future, we disclaim any obligation to do so, even if subsequent events cause our views to change. These forward-looking statements should not be relied upon as representing our views as of any date subsequent to the date of this press release.

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